

Community Development Block Grant Fund

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T*o provide funding for local community projects and services which further the objectives of the Federal Community Development Block Grant (CDBG) program. The national objectives of the program are to provide assistance to persons of low- and moderate-income, prevent or eliminate slums and blight, or meet an urgent community development need.*

CDBG funds are granted to programs and projects carried out by local non-profit organizations and by City departments. By federal regulation, up to fifteen percent of the City's CDBG grant and program income may be allocated to public service activities. By City policy, all of these funds are provided to non-profit organizations that provide community services including but not limited to: emergency and homeless assistance; legal services; services for seniors, youth and persons with disabilities; fair housing activities; and employment services.

Up to twenty percent of the CDBG allocation may be used for administration, fair housing, and planning activities. The remainder of the CDBG funds are allocated to community development activities and construction, and awarded to non-profit organizations and City departments for activities such as capital projects, housing improvements, neighborhood revitalization, code enforcement, job creation, and economic development.

Community Development Block Grant

Budget Summary

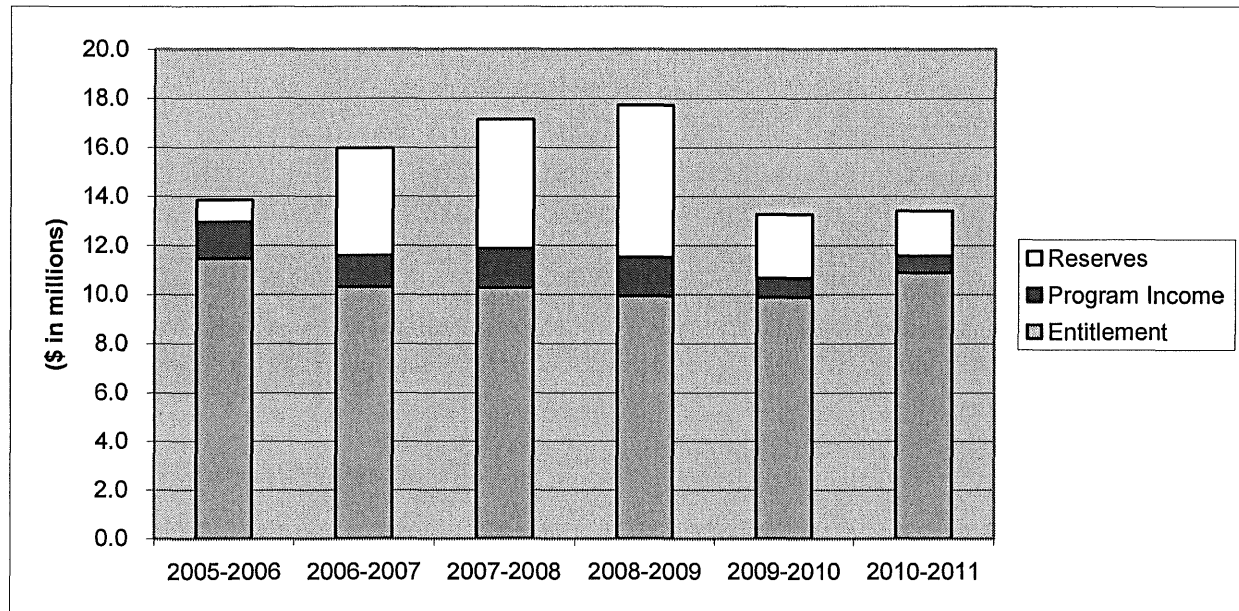
| | 2009-2010 Adopted | 2010-2011 Adopted | Change |
|---|----------------------|----------------------|--------|
| Contractual Community Services | \$ 1,605,000 | \$ 1,739,417 | 8.4% |
| Community Development Improvements | \$ 9,455,237 | \$ 9,351,013 | (1.1%) |
| Administration, Fair Housing & Planning | \$ 2,204,237 | \$ 2,319,223 | 5.2% |

Budget Highlights 2010-2011

- ❑ 2010-2011 represents the first year of a two-year funding cycle for public service awards.
- ❑ In 2010-2011, the annual CDBG entitlement award will be \$10.9 million. The City's annual entitlement has decreased by 19% from a high of \$13.5 million in 1995-1996.
- ❑ For 2010-2011, the program established four funding categories. These funding categories are: access to health care, basic needs, legal services, and self-sufficiency.
- ❑ Funding for City projects has increased by 29% from 2009-2010.

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CDBG FUNDING



Community Development Block Grant

Fund Overview

The City's Community Development Block Grant (CDBG) program budget is based on a 2010 entitlement grant of \$10.9 million. Annual program income from repayment of prior CDBG housing rehabilitation and revolving loans is estimated at \$700,000, a decline from previous collection levels. Additionally, the program expects to utilize approximately \$150,000 in funds available from prior years. These funds are primarily a result of savings from prior projects that were liquidated. Also, the rebudgeting of unexpended funds in 2009-2010 for projects totaling \$1.7 million was approved. Of the total \$13.4 million in the 2010-2011 budget, approximately \$1.7 million will be available for public service programs through the Contractual Community Services (CCS) category, approximately \$9.4 million will be available for Community Development Improvements (CDI), and approximately \$2.3 million will be available for Administration, Fair Housing, and Planning activities. In addition, one-time federal grant funding of \$2.7 million for the American Recovery and Reinvestment Act of 2009 was received in late 2008-2009 and \$1.0 million of that funding was spent in 2009-2010 for various activities including creating suitable living environments and providing affordable housing. The remaining funding of \$1.7 million will be spent in 2010-2011.

Contractual Community Services

Forty-one projects from non-profit agencies offering services to San José residents were approved for funding in 2010-2011. Programs funded under this category offer a variety of services to the community, including job training and referrals, legal assistance, housing assistance, and assistance to special needs populations.

Community Development Improvements

Eight City programs and projects are funded in the CDI category. In addition, four non-profit agencies will receive funding to support economic development and housing rehabilitation programs.

Administration, Fair Housing, and Planning

Funds in this category are used to support a variety of projects, including administration of the program, fair housing, and planning activities. One non-profit agency will receive funding for fair housing services and the Office of Economic Development will receive funds to support the non-profit strategic platform. The Finance, Housing, Planning, Building and Code Enforcement, and Transportation Departments will also receive funding for the support services they provide to the program.

Funding allocations within each CDBG category are contained within the "2010-2015 Consolidated Plan, Annual Action Plan 2010-2011." One public hearing was held on April 8, 2010 to discuss the "2010-2015 Consolidated Plan, Annual Action Plan 2010-2011." The Annual Action Plan, including the CDBG funding allocations, was approved by City Council on May 4, 2010. The following information summarizes the approved funding allocations according to each category. Details of each allocation are contained in the "2010-2015 Consolidated Plan, Annual Action Plan 2010-2011" that can be found at <http://www.sjhousing.org/report/conplan.html>.

Community Development Block Grant

Fund Overview (Cont'd.)

| | 2008-2009 Actual 1 | 2009-2010 Adopted 2 | 2010-2011 Adopted 3 | % Change (2 to 3) |
|---|--------------------------|---------------------------|---------------------------|-------------------------|
| Dollars by Sources | | | | |
| Beginning Fund Balance | \$ 10,752,219 | \$ 9,940,906 | \$ 8,058,611 | (18.9%) |
| CDBG Entitlement | 9,941,267 | 9,900,000 | 10,896,115 | 10.1% |
| Housing Rehabilitation Loan | 653,862 | 600,000 | 525,000 | (12.5%) |
| Program Income | | | | |
| Other Revenue | 108,021 | 200,000 | 175,000 | (12.5%) |
| Recovery Act - CDBG Fund | 2,700,463 | 0 | 0 | N/A |
| Total | \$ 24,155,832 | \$ 20,640,906 | \$ 19,654,726 | (4.8%) |
| Dollars by Uses | | | | |
| Contractual Community Services | \$ 1,633,649 | \$ 1,605,000 | \$ 1,739,417 | 8.4% |
| Community Development Improvements | 11,184,739 | 9,455,237 | 9,351,013 | (1.1%) |
| Administration, Fair Housing & Planning | 2,176,637 | 2,204,237 | 2,319,223 | 5.2% |
| Recovery Act - CDBG Fund | 0 | 2,700,463 | 1,700,463 | (37.0%) |
| Ending Fund Balance | 9,160,807 | 4,675,969 | 4,544,610 | (2.8%) |
| Total | \$ 24,155,832 | \$ 20,640,906 | \$ 19,654,726 | (4.8%) |

Community Development Block Grant

Budget Category: Contractual Community Services

Budget Category Overview

Contractual Community Services (CCS) funds may be used for activities defined as public services under CDBG regulations. These funds support programs that provide services in the areas of community service, recreation, legal services, senior services, services for persons with

disabilities, youth services, transportation for seniors, homeless assistance, and employment services. The total available for this category in 2010-2011 is \$1,739,417. By policy, the City makes all of these funds available to local non-profit organizations.

Budget Category Summary

| | 2008-2009 Actual 1 | 2009-2010 Adopted 2 | 2010-2011 Adopted 3 | % Change (2 to 3) |
|--------------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
| Contractual Community Services | \$ 1,633,649 | \$ 1,605,000 | \$ 1,739,417 | 8.4% |
| Total | \$ 1,633,649 | \$ 1,605,000 | \$ 1,739,417 | 8.4% |

Community Development Block Grant

Budget Category: Contractual Community Services

Budget Category Summary (Cont'd.)

The following projects were approved for funding in the 2010-2011 Adopted Budget from the Contractual Community Services (CCS) allocation.

| Adopted Allocation | 2010-2011 Amount |
|--|---------------------|
| 2nd Street One-Stop Drop-In Center (Bill Wilson Center) | \$ 25,000 |
| Alzheimer's Activity Center Senior Day Program (Respite and Research for Alzheimer's Disease) | 29,478 |
| Alzheimer's Activity Center Food and Nutrition Program (Respite and Research for Alzheimer's Disease) | 25,000 |
| Asian Law Alliance (Santa Clara County Asian Law Alliance) | 44,395 |
| Asian Women's Home (Asian Americans for Community Involvement) | 34,000 |
| Azawount Services (Ethiopian Community Services) | 25,000 |
| Bill Wilson Runaway and Homeless Youth Shelter (Bill Wilson Center) | 36,031 |
| Brown Bag Program (Second Harvest Food Bank of Santa Clara and San Mateo Counties) | 25,950 |
| Case Management for Homeless Families (Family Supportive Housing) | 29,986 |
| Cecil White Center (InnVision The Way Home) | 40,847 |
| Center for Survivors of Torture (Asian Americans for Community Involvement) | 25,000 |
| Chronic Disease Self Management Program (The Health Trust) | 25,000 |
| Day Break Senior Resilience and Empowerment Project (Catholic Charities of Santa Clara County) | 55,537 |
| Diabetes Prevention Program (Indian Health Center of Santa Clara Valley) | 25,000 |
| Domestic Violence Services to the City of San José - Self Sufficiency (Support Network for Battered Women) | 25,000 |
| Fair Housing Investigation and Enforcement Services (Law Foundation of Silicon Valley, for the San José Fair Housing Consortium) | 260,000 |
| Family Self Sufficiency (Housing Authority of Santa Clara County) | 65,764 |
| GOLD (Fresh Lifelines for Youth, Inc.) | 25,000 |
| Happy 5 Vietnamese Parenting Workshop (International Children Assistance Network) | 25,000 |
| Heart Benefits Assistance and Training (Sacred Heart Community Services) | 25,000 |
| Independent Living Skills (Silicon Valley Independent Living Center) | 25,089 |
| Julian Street Inn (InnVision The Way Home) | 30,627 |
| Juvenile Drug Treatment Court Mentoring Program (Fresh Lifelines for Youth, Inc.) | 33,684 |
| Legal Assistance to San José Elders (Senior Adults Legal Assistance) | 72,605 |
| Legal Eagle (Fresh Lifelines for Youth, Inc.) | 38,838 |
| Long Term Care Ombudsman Program (Catholic Charities of Santa Clara County) | 27,409 |
| Meals on Wheels (The Health Trust) | 25,950 |
| Mental Health Advocacy Project (Law Foundation of Silicon Valley) | 25,089 |
| Montgomery Street Inn (InnVision The Way Home) | 25,950 |
| Portuguese Community Center Senior Health Support Program (Portuguese Organization for Social Services and Opportunities) | 25,000 |
| Portuguese Community Center Senior Nutrition Services (Portuguese Organization for Social Services and Opportunities) | 38,592 |
| Rasin Machal (Ethiopian Community Services) | 30,398 |
| San José H.O.M.E.S. (EHC Lifebuilders) | 50,327 |
| Senior Adult Day Care/Respite (Live Oak Adult Day Services) | 29,073 |
| Senior Health Transportation and Resources Program (Outreach and Escort, Inc.) | 40,190 |
| Senior Nutrition Program (Asian Americans for Community Involvement) | 25,000 |
| Shelter Next Door (Next Door Solutions to Domestic Violence) | 75,776 |
| Step-up to Brighter Futures (Community Partners for Youth) | 98,370 |

Community Development Block Grant

Budget Category: Contractual Community Services

Budget Category Summary (Cont'd.)

| Adopted Allocation | 2010-2011 Amount |
|---|-----------------------------|
| Tech Santa Clara County Tools for Ending Chronic Homelessness (Community Technology Alliance) | \$ 74,959 |
| Transitional House (Maitri) | 25,000 |
| Vietnamese Senior Services (Vietnamese Voluntary Foundation) | 49,503 |
| Total Contractual Community Services | \$ 1,739,417 |

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Overview

The largest portion of the City's CDBG funds are allocated to the Community Development Improvements (CDI) category. This category includes non-construction projects including economic development projects and code enforcement

activities. In addition, this category also includes construction projects or physical improvements. The following table demonstrates the distribution of funding in the CDI category by non-construction and construction categories.

Budget Category Summary

| | 2008-2009 Actual 1 | 2009-2010 Adopted 2 | 2010-2011 Adopted 3 | % Change (2 to 3) |
|------------------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
| Community Development Improvements | | | | |
| CDI Non-Construction | \$ 7,790,256 | \$ 6,659,541 | \$ 6,617,082 | (0.6%) |
| CDI Construction | 3,394,483 | 2,795,696 | 2,733,931 | (2.2%) |
| Total | \$ 11,184,739 | \$ 9,455,237 | \$ 9,351,013 | (1.1%) |

The following projects were approved for funding in the 2010-2011 Adopted Budget from the Community Development Improvements (CDI) allocation.

| Adopted Allocation | 2010-2011 Amount |
|--|---------------------|
| CDI Non-Construction | |
| Proactive Code Enforcement (Planning, Building and Code Enforcement Program) | \$ 2,148,568 |
| Housing Rehabilitation Single and Multi Family (Housing Department) | 1,700,000 |
| Fire Engines in Low Moderate Income Areas (Fire Department) | 1,100,000 |
| Smart Start San José Family Childcare Training (Library Department) | 456,491 |
| Rebuilding Housing Repair Program (Rebuilding Together Silicon Valley) | 303,268 |
| Microcredit San Jose (Opportunity Fund Northern California) | 258,677 |
| Assets for New American: Virtual Business Incubator (Anewamerica Community Corp.) | 250,000 |
| Minor Repair Program (Housing Department) | 250,000 |
| Small Business Incubator Program (Santa Clara County Black Chamber of Commerce) | 150,078 |
| Total CDI Non-Construction | 6,617,082 |
| CDI Construction | |
| Meridian Facility Rehabilitation (Indian Health Center of Santa Clara Valley) | 1,200,000 |
| LED Streetlight Conversion (Department of Transportation) | 693,728 |
| ADA Compliance Sidewalks (Department of Public Works) | 599,004 |
| KACS Community Center Renovation (Korean American Community Services) | 100,000 |
| Alexander Avenue Curb, Gutter and Sidewalk Installation (Department of Public Works) | 75,000 |
| Green Streets Project (Department of Transportation) | 66,199 |
| Total CDI Construction | 2,733,931 |
| Total Community Development Improvements | \$ 9,351,013 |

Community Development Block Grant

Budget Category: Administration, Fair Housing and Planning

Budget Category Overview

The Administration, Fair Housing and Planning category consists of environmental review services, and database services. primarily program administration,

Budget Category Summary

| | 2008-2009 Actual 1 | 2009-2010 Adopted 2 | 2010-2011 Adopted 3 | % Change (2 to 3) |
|---|--------------------------|---------------------------|---------------------------|-------------------------|
| Administration, Fair Housing and Planning | \$ 2,176,637 | \$ 2,204,237 | \$ 2,319,223 | 5.2% |
| Total | \$ 2,176,637 | \$ 2,204,237 | \$ 2,319,223 | 5.2% |

The following projects were approved for funding in the 2010-2011 Adopted Budget from the Administration, Fair Housing and Planning allocation.

| Adopted Allocation | 2010-2011 Amount |
|---|---------------------|
| Program Development and Monitoring (Housing Department) | \$ 1,744,223 |
| Accounting Services (Finance Department) | 200,000 |
| Legal Aid Society Fair Housing Counseling Project (Legal Aid Society of Santa Clara County) | 150,000 |
| Tree Study on Low Moderate Income Areas (Department of Transportation) | 125,000 |
| Non-Profit Platform (Office of Economic Development) | 50,000 |
| Environmental Review Services (Planning, Building and Code Enforcement Department) | 30,000 |
| City-Wide Grants Management System (Parks, Recreation & Neighborhood Services Department) | 20,000 |
| Total Administration, Fair Housing and Planning | \$ 2,319,223 |

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